



STATE BOARD OF EDUCATION
TRUSTEES OF BOISE STATE UNIVERSITY
TRUSTEES OF IDAHO STATE UNIVERSITY
TRUSTEES OF LEWIS-CLARK STATE COLLEGE
BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO
STATE BOARD FOR PROFESSIONAL-TECHNICAL EDUCATION
TRUSTEES FOR THE IDAHO SCHOOL FOR THE DEAF AND THE BLIND

**DRAFT
OFFICIAL MINUTES
STATE BOARD OF EDUCATION MEETING
June 26-27, 2003
University of Idaho
Moscow, Idaho**

A regular meeting of the Idaho State Board of Education was held on June 26-27, 2003 at the University of Idaho in Moscow, Idaho. The meeting was called to order at 8:00 a.m. on June 26, 2003. President Blake Hall presided. The following members were present:

Blake Hall, President
Rod Lewis, Secretary
Karen McGee
Paul Agidius

Jim Hammond, Vice President
Marilyn Howard, State Superintendent
Milford Terrell
Laird Stone

BOARDWORK

1. Agenda Approval

M/S (Terrell / Hammond): To approve the agenda as written. *Motion carried unanimously.*

2. Rolling Calendar

M/S (Hammond / Stone): To approve June 24-25, 2004 as the dates and the University of Idaho as the location of the June 2004 regularly scheduled meeting. *Motion carried unanimously.*

3. Minutes Review / Approval

M/S (Terrell / Hammond): To approve the minutes as submitted for December 11-12, 2002; January 20-21, 2003; April 17, 2003; May 22, 2003; April 29, 2003; April 30, 2003; May 8, 2003; June 3, 2003; and June 19, 2003 as presented. *The motion carried unanimously.*

OPEN FORUM

Mike Nicholl, UI Assistant Professor, spoke to the Board on the discontinuance of the Geological Engineering program.

PLANNING, POLICY & GOVERNMENTAL AFFAIRS

1. University of Idaho Progress Report

Gary Michael, UI President, and Brian Pitcher, UI Provost, gave the UI progress report.

2. Presidents' Council Report

Dene Thomas, LCSC President, presented the proposed peer institution lists for each of the institutions to the Board.

Board member Lewis suggested the Board provide an objective process for review of the peer lists. Dr. Howard suggested that the review include consideration of the rationale used by MGT when they chose peers for the funding equity study.

Board member Hall appointed a subcommittee to conduct an objective review of the peer lists. The members are Milford Terrell (Chair), Karen McGee, Laird Stone, and Blake Hall. He indicated that a report will be expected from the Subcommittee at the next Board meeting.

3. Fee Setting Discussion

Board member Hall explained his interest in changing the timing of fee setting by the Board from April to January. A discussion ensued among the Board and the Presidents on changing the timing, and the affect it may have on the fee determination and the Legislative appropriation.

M/S (Hall / McGee): To set fees in January annually. *The motion carried 6-2 (Howard and Lewis dissenting).*

4. First Reading: Section I.E. President Emeritus Policy

Board member Agidius suggested that the rights and privileges included in the policy be examples and not mandated minimums.

M/S (Agidius / McGee): To approve the first reading of Section I.E.5 of the Board's Governing Policies and Procedures – President Emeritus/Emerita Designation with the suggested amendment. *The motion carried unanimously.*

5. Health Care Education Building – Criteria for Placement

M/S (McGee / Agidius): To approve the proposed criteria for placement of the Health Care Education Building as presented. *The motion carried unanimously.*

6. ISHS Board of Trustees Appointment

M/S (McGee / Howard): To approve the appointment of Paul Link to the Idaho State Historical Society Board of Trustees effective immediately and continuing through December 31, 2006. *The motion carried unanimously.*

7. EITC Advisory Council Appointments

It was explained that Board policy needs to be updated in reference to the process for appointments and reappointments to the EITC Advisory Council, and that staff will begin to draft revisions for Board consideration at a future meeting.

M/S (Hall / Hammond): To approve the reappointments of Terry Butikofer, Michael Clark and Edith Stanger to the EITC Advisory Council through December 31, 2005 and to approve the appointments of Kenneth Drewes and Donald Bird through December 31, 2006. *The motion carried unanimously.*

BUSINESS AFFAIRS & HUMAN RESOURCES (BAHR)

Section I – Finance

1. Boise State University

Parking Structure

M/S (Hammond / Terrell): To approve the request from Boise State University to proceed with the planning and design stage of a multi-modal center/parking structure. *The motion carried unanimously.*

Student Health Insurance Contract

M/S (Hammond / McGee): To authorize Boise State University to contract with CRM, Inc. to provide student health insurance for 2003-04 at a rate of \$368.50 per student per semester. *The motion carried unanimously.*

2003-2004 Housing Room & Board Rates

The item was provided for information. No action was taken.

Foundation Audit FY 2002

The item was provided for information. No action was taken.

2. Idaho State University

Rendezvous Building

Ken Prolo, ISU, explained the reasons for the changes in budget. A discussion ensued regarding the change.

M/S (Hammond / McGee): To approve the request by Idaho State University to increase the project budget for the Rendezvous Building from \$37,314,000 to \$38,809,000. *The motion carried unanimously.*

Performing Arts Center

Ken Prolo, ISU, explained the reasons for the change in budget. A discussion ensued regarding the change.

M/S (Hammond / Agidius): To approve the request by Idaho State University to increase the project budget for the L.E. & Thelma E. Stephens Performing Arts Center from \$30,000,000 (approved November 19-20, 1998) to \$34,000,000. *The motion carried unanimously.*

2003 University General Revenue Bonds

M/S (Hammond / Stone): To approve a Supplemental Resolution for the 2003 Bonds, the title of which is as follows:

A SUPPLEMENTAL RESOLUTION of Idaho State University authorizing the issuance and sale of \$35,895,000 General Refunding and Improvement Revenue Bonds of the Board of Trustees of Idaho State University, Series 2003, authorizing the execution and delivery of a Bond Purchase Agreement and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2003 Bonds. *A roll call vote was taken and carried unanimously.*

Student Health Insurance Contract

M/S (Hammond / McGee): To approve Idaho State University entering into a contract with Clarendon National Insurance Company to provide student health insurance. *The motion carried unanimously.*

2003-2004 Housing Room & Board Rates

The item was provided for information. No action was taken.

3. University of Idaho

Student Health Insurance Contract/Premiums

M/S (Hammond / Agidius): To approve the request by University of Idaho to authorize the Vice President for Finance and Administration to enter into a contract with Student Resources for the Student Health Insurance Program policy underwritten by the MEGA Life and Health Insurance Company for 2003-2004. *The motion carried unanimously.*

2003-2004 Room and Board Rates

The item was provided for information. No action was taken.

4. Lewis-Clark State College

Student Fee Revenue Note Purchase Agreement – Series 2003 Note

M/S (Hammond / Stone): To approve the Resolution for the Student Fee Revenue Note as follows:

A RESOLUTION OF THE STATE BOARD OF EDUCATION AND THE BOARD OF REGENTS OF THE UNIVERSITY OF IDAHO, ACTING IN ITS CAPACITY AS THE BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE, AUTHORIZING THE ISSUANCE AND SALE OF STUDENT FEE REVENUE NOTES, SERIES 2003 IN THE PRINCIPAL AMOUNT OF UP TO \$1,126,307, TO FINANCE A PORTION OF THE COST OF CONTRUCTION OF A CAMPUS CLASSROOM AND ACTIVITY CENTER, PROVIDING FOR RELATED MATTERS. *A roll call vote was taken and carried unanimously.*

Student Health Insurance Contract

M/S (Hammond / Stone): To approve the request by Lewis-Clark State College to enter into a contract with Renaissance Agencies, Inc. to provide student health insurance underwritten by Guarantee Trust Life Insurance Company. *The motion carried unanimously.*

2003-2004 Room and Board Rates

The item was provided for information. No action was taken.

LCSC Foundation Audit FY 2002

The item was provided for information. No action was taken.

5. Approval of FY 2004 Appropriated Funds Operating Budgets

Keith Hasselquist explained the proposed operating budgets. A discussion ensued on the budgets. The Board asked that formatting for all budgets be consistent in the future, that revenue sources be broken out for all budgets, that actual appropriations be used for comparisons from the previous year's budget, and that a trend analysis for the past five years by budgeting classification be added. The Board also expressed interest in considering the entire budget for each institution in the future. A discussion ensued regarding the operating budgets.

M/S (Hammond / Lewis): To approve the FY 2004 operating budgets for the Office of the State Board of Education, the School for the Deaf and the Blind, Professional-Technical Education, Health Programs, Special Programs, Public Broadcasting, Vocational Rehabilitation, the College and Universities, Agricultural Research & Cooperative Extension, and the Capital Budget. *The motion carried unanimously.*

6. Acceptance of FY 2004 Intercollegiate Athletics Operating Budget Report

A discussion ensued regarding the differences in numbers presented at the Board meeting in May by the UI on the Sunbelt issue and the numbers that appear in the intercollegiate athletic report.

M/S (Hammond / Agidius): To accept the Intercollegiate Athletics Report as presented. *The motion carried unanimously.*

7. Overview of Capital Projects Bonded through the Idaho State Building Authority

Board member Hammond disclosed that he is a member of the Idaho State Building Authority. Wayne Mueleman, Idaho State Building Authority, provided an overview of the bonding projects.

8. Boise State University – Idaho State Building Authority Bonded Projects

Buster Neel, BSU, explained the BSU bonded project. A discussion ensued on the risk with all of these bonded projects undertaken by the institutions in the event that the Legislature does not allocate adequate funds to pay the bonds. It was clarified that the permanent building fund is the source of revenue for these bonds.

M/S (Hammond / Agidius): To authorize the CEO of BSU or his designee to finalize and execute the Site Lease, the Facilities Lease, the Development Agreement and the Operating Agreement for the West Campus Academic Building at Boise State University in substantially the same form as the draft agreements presented to the Board with the agenda materials. *The motion carried unanimously.*

M/S (Hammond / Stone): To approve an increase to project budget for BSU up to \$10,800,000, thus providing for an additional \$1,000,000 for a construction contingency

fund on the bidding process through the Division of Public Works. *The motion carried unanimously.*

It was clarified that the Board would be notified in the event that there are overruns.

There was general agreement that the Board would like to assess what is contemplated in terms of construction, etc. on these buildings so to assure agreement with the designs. In the future, documents relative to buildings should not be brought forward until a total package is developed (in terms of operating and maintenance costs, design, etc.) for the Board to review.

9. Idaho State University – Idaho State Building Authority Bonded Projects

M/S (Hammond / McGee): To authorize the CEO of Idaho State University or his designee to finalize and execute the Site Lease, the Facilities Lease, the Development Agreement and the Operating Agreement for the Classroom Building/Rendezvous Center at Idaho State University in substantially the same form as the draft agreements presented to the Board with the agenda materials. *The motion carried unanimously.*

10. University of Idaho – Idaho State Building Authority Bonded Projects

M/S (Hammond / Terrell): To authorize the CEO of UI or his designee to finalize and execute the Site Lease, the Facilities Lease, the Development Agreement and the Operating Agreement for the Teaching and Learning Center at the University of Idaho in substantially the same form as the draft agreements presented to the Board with the agenda materials. *The motion carried unanimously.*

11. Lewis-Clark State College – Idaho State Building Authority Bonded Projects

M/S (Hammond / Agidius): To authorize the CEO of LCSC or her designee to finalize and execute the Site Lease, the Facilities Lease, the Development Agreement and the Operating Agreement for the Classroom/Campus Activity Center at Lewis-Clark State College in substantially the same form as the draft agreements presented to the Board with the agenda materials. *The motion carried unanimously.*

Section II - Human Resources

1. Boise State University: New Positions/Changes in Positions

M/S (Hammond / McGee): To approve the request by Boise State University for six (6) new positions and increases to terms of appointment from 8 and 11 months to 12 months to 15 positions as detailed in its Human Resources agenda. *The motion carried unanimously.*

2. Idaho State University: New Positions/Deleted Positions/Changes in Positions/Head Coach Employment Agreement Addendum

M/S (Hammond / Stone): To approve the request by Idaho State University for 23 new positions (21.1 FTE), deletion of three positions (2.01 FTE), increases to FTE for three positions, and an addendum to the employment agreement with Doug Oliver, Men's Basketball Head Coach as detailed in the revised agenda material. *The motion carried unanimously.*

3. University of Idaho: New Positions/Deleted Positions/Appointments – Non-delegated

M/S (Hammond / Stone): To approve the request by the University of Idaho for two new positions (1.5 FTE), deletion of eight positions (7.25 FTE), and approval to appoint Judith T. Parrish as Dean of the College of Science and Michael Weiss as Dean of the College of Agricultural and Life Sciences as indicated at a salary equal to or greater than 75% of the president's base salary as detailed in its Human Resources agenda. *The motion carried unanimously.*

4. Lewis-Clark State College: New Positions/Appointments – Non-delegated

M/S (Hammond / Stone): To approve the request by Lewis-Clark State College for four new positions (2.94 FTE) and approval to appoint Anthony Fernandez as Provost/Vice President of Academic Affairs at a salary equal to or greater than 75% of the president's base salary. *The motion carried unanimously.*

INSTRUCTION, RESEARCH & STUDENT AFFAIRS

1. Destination Imagination Presentation

Debbie Hertzog, Director of Destination Imagination presented the Board with information on the Destination Imagination program.

2. Robert C. Byrd Scholarship

M/S (Lewis / Stone): To approve the extension from 12 months to 24 months for the period of approved interrupted enrollment for recipients who temporarily withdraw from school. *The motion carried unanimously.*

3. Idaho Biomedical Research Infrastructure Network Presentation

Dr. Greg Bohach, Department Head of the Microbiology Molecular Biology and Biochemistry Department at the UI, presented the Board with information on the Idaho Biomedical Research Infrastructure Network.

4. Notice of Intent Approval: New UI Graduate Program

M/S (Lewis / Agidius): To approve the University of Idaho's Notice of Intent to offer a Ph.D. program in Food Science and to direct the University of Idaho to come forward with

a full proposal and report of external peer review for this Ph.D. program. *The motion carried unanimously.*

5. Program Discontinuance: UI Undergraduate Program

Brian Pitcher, UI, explained the UI's interest in discontinuing the B.S. degree in Geological Engineering, but the intent to continue the M.S. program in Geological Engineering. Dr. Stan Miller, UI, explained that this proposal presents a compromise, and expressed his support for continuing the M.S. program. He expressed concern with losing the undergraduate program and expertise in groundwater.

M/S (Lewis / Terrell): To approve the University of Idaho's full proposal to discontinue B.S. degree in Geological Engineering. *The motion carried unanimously.*

6. Idaho/Washington Reciprocity Agreement

Randy Thompson presented information on the current Reciprocity agreement and the changes being sought by the state of Washington. Dr. Thomas, LCSC, asked that in the future, this discussion at the Board level take place a year in advance so that it can be used in financial aid decisions and offers. A discussion ensued regarding fee waiver agreements with other states.

M/S (Stone / McGee): To authorize staff to renegotiate a reciprocity agreement with the Higher Education Coordinating Board in Washington. *The motion carried unanimously.*

7. Final Reading, Governing Policies and Procedures, Board Policy Section III.Z. Delivery of Postsecondary Instruction

This item was removed from consideration.

EXECUTIVE SESSION

M/S (Terrell / Stone): To enter into executive session pursuant to Idaho Code Section 67-2345 (1), (a), (b), (d), and (f). *A roll call vote was taken and carried unanimously.*

In executive session, the Board considered hiring a public officer, employee, staff member or individual agent; considered the evaluation, dismissal or disciplining of, or complaints or charges brought against a public officer, employee, staff member or individual agent, or public school student; considered records that are exempt from public inspection; and considered and advised its legal representatives in pending litigation or where there is a general public awareness of probable litigation.

M/S (Hammond / Stone): To reappoint Dr. Richard Bowen as President of Idaho State University at a salary comparable to the other presidents. *The motion carried unanimously.*

The meeting was adjourned for the day at approximately 9:00 p.m. The Board reconvened on Friday, June 27, 2003 at 8:30 a.m.

8. Assessment and Accountability Update

Adequate Yearly Progress

Randy Thompson presented the Board with proposed changes to the previously adopted Adequate Yearly Progress (AYP) formula.

M/S (Stone / Lewis): To approve the proposed change to the AYP formula. *The motion carried unanimously.*

Newly adopted formula is as follows:

$$\emptyset = \left\{ \frac{1 - P}{10 - Y} \right\} * 100$$

\emptyset = coefficient of academic progress

P = academic performance on state achievement tests

Y = NCLB year

Persistently Dangerous Schools

Randy Thompson presented the Board with a proposed definition of Persistently Dangerous Schools, approval of which is required to aid the State Department of Education in implementing requirements of the No Child Left Behind Act, and which will allow parents the ability to move students out of a school that is designated as “persistently dangerous.” A discussion ensued on the proposed definition.

M/S (Agidius / Stone): To adopt the definition of “persistently dangerous school” as presented with a change from five students to three, and to set forth separate category for homicide, sexual crimes and kidnapping such that one of any incident of those crimes in a year would kick in persistently dangerous status. *The motion carried unanimously.*

M/S (McGee / Lewis): To add Stalking as one of the defined “violent criminal offenses.” *The motion carried unanimously.*

NCLB Compliance Agreement

Board member McGee reported on Idaho’s Accountability Plan with the U.S. Department of Education, and thanked all who helped gain compliance. She reported that some elements will

require new state policies, which will be coming forward for Board consideration in the coming months.

Board member Howard expressed concern over the lack of coordination with the SDE on the Plan. She continued by listing errors and problems with the written agreement.

Board member Hall noted that this change will be difficult and added that work will continue to correct imperfections in the Plan. He stated that it was finished in a manner to ensure that no child was harmed by loss of federal funds.

9. No Child Left Behind (NCLB) Sub-Committee Update

This item was removed from consideration or discussion.

10. Charter Schools: Board as Primary Authority for Charter Schools

Board member Stone summarized issues discussed at the recent Subcommittee meeting and explained the scope and timeline that the Subcommittee will be following. He introduced groups who will be making presentations on charter school issues and explained that the presentations are informational only and are not intended to be an appellate hearing nor any type of application hearing.

- Bart McKnight, Liberty Charter School, presented information on the Liberty Charter School.
- Gayle O'Donahue presented information on the concept for the Nampa II Charter School, a school that has not yet been approved.
- Steve Adams presented information on the Idaho Leadership Academy.
- David Gencarella presented information on the Idaho Virtual Academy.

M/S (Stone / Terrell): To hold a hearing as to whether the appeal to the State Board from Nampa II Charter School was timely at special meeting in July, and in the event that Board decides there is no timeliness issue, to hold the appeal hearing at the regular meeting in August. *The motion carried unanimously.*

Board member Stone offered the Subcommittee's recommendation to the Liberty Charter School that they make their charter renewal application to the Nampa School District. He noted this recommendation is consistent with the recent Attorney General opinion.

Board member Stone directed staff to work with the SDE to draft policy and procedures for first reading at the August meeting to define procedures for a multidistrict school to apply to the SDE or other entity for a charter.

Board member Stone directed staff to review the appellate procedure set out in statute, rules and policies, and advise the Board in August if there are additional policies that need to be developed to clarify that procedure and ensure timelines are firm and that there are mechanisms to move forward in the event that timelines are not met.

Board member Stone addressed the equitable funding concerns of the Idaho Virtual Academy. Board member Howard agreed to have response to the Idaho Virtual Academy's funding concerns for the Subcommittee to review by July 8.

DEPARTMENT OF EDUCATION

1. Request for Rule Waiver, Carpenter Bus Manufacturing

M/S (Howard / Stone): To approve a waiver of administrative rules applicable to depreciation reimbursement sanctions related to the removing from service any Carpenter Manufacturing school bus affected by the SBIC national advisory of April 14, 2003. *The motion carried unanimously.*

2. Safety Busing Reimbursement Requests

M/S (Howard / Stone): To approve safety busing reimbursement requests for fiscal year 2003. *The motion failed 3-2.*

Board member Stone expressed concern that the reimbursements are not based on actual use, but instead are based on eligible use. He suggested that a lag year could be inserted and then reimbursement could be based on the previous year's actual numbers. Board member Hall expressed concern that we have no control over where schools are built such that they may be built in areas that create problems with safety busing and then those costs are passed on to the state.

M/S (Stone / Terrell): To reconsider the previous motion, and instead table the reimbursement request until the October Board meeting. *Motion withdrawn.*

The SDE agreed to bring forward a new proposal at the October meeting. Board member Terrell asked for information on the usage of buses outside of school.

3. Notice of Rulemaking: Proposed Rule

M/S (Howard / Stone): To approve the request to prepare a Notice of Proposed Rulemaking for publication in the August Administrative Bulletin. *The motion carried 7-1 (Hall dissenting).*

4. Proposal to Rezone school District

M/S (Howard / McGee): To approve the proposal from Council School District to redefine their trustee zones. *The motion carried unanimously.*

5. Professional Standards Commission Reappointments and Appointments

M/S (Howard / Hammond): To approve the request by the Professional Standards Commission for the reappointments and appointments of commission members as submitted. *The motion carried unanimously.*

Elementary Classroom Teacher – Caroline Means Bitterwolf

School Trustee – Edith M. Brooks

IDPTE Staff – George David Dean

Secondary Classroom Teacher – Sue Skeen

Higher Education College of Letters & Science – James R. Pratt

Elementary School Principal – Loretta M. Stowers

SDE Staff – Bob West

Special Education Administrator – Elaine Keogh

6. Federal Funds Review

Board member Howard introduced the item and explained the information distributed on anticipated federal revenues.

Board member Hall wanted to know the total number of employees in each of the programs and the total cost of administration including state funds that are used in addition to the federal funds. Board member Terrell asked for wanted percentages of children versus elderly recipients of the child care program funds from US Dept of Agriculture funds.

Jana Jones, SDE, explained the IDEA funding; Rosemary Ardinger, SDE, explained the Title I funding; Claudia Hasselquist, SDE, discussed the Safe and Drug Free School program; and, Michael Murphy discussed general federal funds requirements.

Board member Howard expressed concern with any action that would be viewed as contrary to previous Board action or statements relative to federal funding, or any action that is contrary to legislative intent language in the public school or SDE appropriation.

Board member Terrell expressed concern over lack of federal funds going to the Idaho Virtual Academy, and expressed interest in holding all funds back until answers relative to charter school funding is received.

M/S (McGee / Stone): All federal funds pass through to the SDE, with the exception of the following: VI A - State Assessments in the amount of \$4,108,407; II A - Improving Teacher Quality State Grants in the amount of \$363,031 (\$17,391 Administration and \$345,640 Grants); III A - Language Acquisition State Grants in the amount of \$175,000, for a total of \$5,110,358. *The motion carried 7-1 (Howard dissented).*

Board member Hall designated Randy Thompson as staff to work with SDE on further analysis of the funds that are not yet being passed through.

7. Superintendent's Report

Board member Howard did not present a report.

OTHER / NEW BUSINESS

There was unanimous consent to direct staff to negotiate with Korn/Ferry International for the search for a president at the UI.

M/S (Hammond / Stone): To call the collaborative higher education center in Coeur d'Alene University Place at Coeur d'Alene. *The motion carried 7-0-1 (Terrell abstained).*

Board member Hall recommended that action be taken regarding the outstanding loans with the UI Foundation. This issue was deemed an emergency issue needing resolution at this meeting given that one of the notes has a due date of July 1, 2003.

M/S (Agidius / McGee): To authorize an extension of the current note (\$6,000,000) previously due on July 1, 2003 with the UI Foundation under the same terms with an extension of the due date to December 31, 2004. *The motion carried unanimously.*

M/S (Agidius / McGee): To reduce to writing the other outstanding note (\$2,000,000) with the UI Foundation and have a due date of December 31, 2005 with interest set at the prime rate (*federal prime rate*). *The motion carried unanimously.*

Being no further business, the meeting adjourned at approximately 2:15 p.m.